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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/802,082	03/08/2001	Frank F. Schmeyer	35352.0181/I	5338
25541	7590	02/07/2005	EXAMINER	
NEAL, GERBER, & EISENBERG SUITE 2200 2 NORTH LASALLE STREET CHICAGO, IL 60602			LASTRA, DANIEL	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 02/07/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/802,082

Applicant(s)

SCHMEYER, FRANK F.

Examiner

DANIEL LASTRA

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 17 July 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>11/1/04</u> . | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. Claims 1-23 have been examined. Application 09/802,082 (SYSTEM AND METHOD FOR PROVIDING CONSUMER REWARDS) has a filing date 03/08/2001 and Claims Priority from Provisional Application 60221468 (07/26/2000). Assignor: Transmedia Network Inc and Assignee: Idine Rewards Network Inc.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-10 are not within the technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts".

Art Unit: 3622

See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

Art Unit: 3622

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income,

Art Unit: 3622

expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, independent claim 1 recite a a “useful, concrete and tangible result” (method for providing rewards to a member consumer), however the claims recite no structural limitations (i.e., computer implementation), and so they fail the first prong of the test (technological arts). Dependent claims 2-10 do not remedy this situation as no structural limitations are recited.

### ***Claim Rejections - 35 USC § 102***

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000.

Art Unit: 3622

Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-23 are rejected under 35 U.S.C. 102(e) as being anticipated by Chen et al (U.S. 6,741,969).

As per claim 1, Chen teaches:

A method for providing rewards to a member consumer in connection with the purchase of goods or services at a member business, the method comprising:

receiving transaction information including information identifying a consumer, information identifying a business, and information pertaining to the purchase of a good or service by the consumer at the business (see column 8, lines 37-61);

determining if the consumer identified in the transaction information is the member consumer (see column 8, lines 37-61);

determining if the business identified in the transaction information is the member business (see column 10, lines 60-68)

and if it is determined that the consumer is the member consumer and the business is the member business, determining from the information pertaining to the purchase of the good or service by the consumer at the business if the consumer has fulfilled the requirement of a rewards program of the member business and, if so, providing the reward to the member consumer (see column 14, lines 5-15; column 17, lines 7-29).

As per claim 2, Chen teaches:

The method as recited in claim 1, further comprising the step of settling the reward with the member business (see column 17, lines 55-65).

As per claim 3, Chen teaches:

The method as recited in claim 1, further comprising the step of maintaining a record of rewards earned by the member consumer (see column 17, lines 1-9).

As per claim 4, Chen teaches:

The method as recited in claim 1, further comprising the step of informing the member consumer of the reward when earned (see column 17, lines 29-65).

As per claim 5, Chen teaches:

The method as recited in claim 1, further comprising the step of informing the member business of the reward when earned (see column 17, lines 29-65).

As per claim 6, Chen teaches:

The method as recited in claim 1, wherein the transaction information includes information pertaining to the use of a credit card by the consumer at the business comprising an identifier for the business and a credit card number of the consumer and the identifier for the business is compared against a list of identifiers of member businesses to determine if the business is the member business and the credit card number is compared against a list of credit card numbers of member consumers to determine if the consumer is the member consumer (see column 16, lines 43-51).

As per claim 7, Chen teaches:



The method as recited in claim 6, wherein the information pertaining to the purchase of a good or service by the consumer at the business comprises a day of sale and a time of sale (see column 4, lines 32-50).

As per claim 8, Chen teaches:

The method as recited in claim 7 wherein the requirement of the rewards program comprises a specification that a transaction must occur on a predetermined day and the day of sale is compared against the predetermined day to determine if the requirement of the rewards program was met (see column 4, lines 32-50).

As per claim 9, Chen teaches:

The method as recited in claim 8 wherein the requirement of the rewards program comprises a specification that a transaction must occur during a predetermined time and that the member consumer make a reservation to transact business during the predetermined time, and the time of sale is compared against the predetermined time and the reservation time to determine if the requirements of the rewards program were met (see column 3, lines 20-27; column 4, lines 29-50).

As per claim 10, Chen teaches:

The method as recited in claim 9, wherein comparing the time of sale to the reservation time comprises examining the time of sale to determine if it falls within a window of time based upon the reservation time (see column 4, lines 29-50).

As per claim 11, Chen teaches:

A method for allowing a restaurant to provide an incentive program to a consumer, the method comprising:

accepting via a network a registration of a consumer, the registration entitling the consumer to benefits of the incentive program, the benefits including a reward for dining at the restaurant on a day specified by the restaurant and a reward for fulfilling a reservation made by the consumer with the restaurant (see column 4, lines 29-50; column 17, lines 7-29);

allowing the consumer to view information indicative of the benefits of the incentive program (see column 10, lines 10-15); and

accepting via the network real-time changes made by the restaurant to the incentive program whereby the real-time changes in the incentive program are reflected in the information indicative of the benefits of the incentive program viewable by the consumer (see column 9, line 65 – column 10, line 10).

As per claim 12, Chen teaches:

The method as recited in claim 11, further comprising the step of accepting via the network the reservation made by the customer with restaurant (see column 17, lines 55-65).

As per claim 13, Chen teaches:

The method as recited in claim 11, further comprising the step of applying predetermined rules to resolve conflicts with changes made by the restaurant to the incentive program (see column 15, line 63 – column 16, line 10).

As per claim 14, Chen teaches:

The method as recited in claim 11, wherein the network is the Internet (see column 5, line 63 – column 6, line 6-60).

As per claim 15, Chen teaches:

The method as recited in claim 11, wherein the reward for dining on a day specified by the restaurant includes a price discount (see column 17, lines 7-29).

As per claim 16, Chen teaches:

The method as recited in claim 11, wherein the reward for fulfilling a reservation made by the customer with the restaurant includes giving to the customer a predetermined number of points that are redeemable for meals at the restaurant (see column 17, lines 7-29).

As per claim 17, Chen teaches:

A method for allowing a consumer to receive benefits associated with an incentive program created by a business, the method comprising:

accepting a registration of a consumer entitling the consumer to benefits of the incentive program, the registration including information indicative of a credit card of the consumer (see column 8, lines 49-61; column 16, lines 43-51);

comparing credit card transactional information gathered when customers perform transactions at the business with the information indicative of the credit card of the consumer to determine if the consumer performed a transaction at the business (see column 16, lines 35-50);

and rewarding the consumer in accordance with the benefits of the incentive program if it is determined in the step of comparing that the consumer did perform a transaction at the business (see column 16, lines 35-50).

As per claim 18, Chen teaches:

A computer-readable media having instructions for determining if a transaction by a member consumer meets a requirement of a rewards program of a member business, the instructions performing steps comprising:

receiving transaction information including information identifying a consumer, information identifying a business, and information pertaining to the purchase of a good or service by the consumer at the business;

determining if the consumer identified in the transaction information is the member consumer;

determining if the business identified in the transaction information is the member business; and

if it is determined that the consumer is the member consumer and the business is the member business, determining if the information pertaining to the purchase of a good or service by the consumer at the business meets the requirement of the rewards program of the member business. Claim 18 contains the same limitations as claim 1 therefore the same rejection is applied.

As per claim 19, Chen teaches:

The computer-readable media as recited in claim 18, wherein the transaction information includes information pertaining to the use of a credit card by the consumer at the business comprising an identifier for the business and a credit card number of the consumer and the identifier for the business is compared against a list of identifiers of member businesses to determine if the business is the member business and the credit card number is compared against a list of credit card numbers of member consumers to

Art Unit: 3622

determine if the consumer is the member consumer. Claim 19 contains the same limitations as claim 6 therefore the same rejection is applied.

As per claim 20, Chen teaches:

The computer-readable media as recited in claim 19, wherein the information pertaining to the purchase of a good or service by the consumer at the business comprises a day of sale and a time of sale. Claim 20 contains the same limitations as claim 7 therefore the same rejection is applied.

As per claim 21, Chen teaches:

The computer-readable media as recited in claim 20, wherein the requirement of the rewards program comprises a specification that a transaction must occur on a predetermined day and the day of sale is compared against the predetermined day to determine if the requirement of the rewards program was met. Claim 21 contains the same limitations as claim 8 therefore the same rejection is applied.

As per claim 22, Chen teaches:

The computer-readable media as recited in claim 21, wherein the requirement of the rewards program comprises a specification that a transaction must occur during a predetermined time and that the member consumer make a reservation to transact business during the predetermined time, and the time of sale is compared against the predetermined time and the reservation time to determine if the requirements of the rewards program were met. Claim 22 contains the same limitations as claim 9 therefore the same rejection is applied.

As per claim 23, Chen teaches:

The computer-readable media as recited in claim 22, wherein comparing the time of sale to the reservation time comprises examining the time of sale to determine if it falls within a window of time based upon the reservation time. Claim 23 contains the same limitations as claim 10 therefore the same rejection is applied.

**Conclusion**

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 703-306-5933. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W STAMBER can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

DL

Daniel Lastra  
November 20, 2004

  
RAQUEL ALVAREZ  
PRIMARY EXAMINER